

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1670

TRANSCRIPT OF HEARING

MAY 13, 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MAY 13, 1959

IN THE MATTER OF:

CASE 1670: Southeastern New Mexico nomenclature case calling for an order creating new pools, deleting a portion of a pool, and extending existing pools in Chaves, Eddy, Lea and Roosevelt Counties, New Mexico.

(a) Create a new oil pool for Queen production, designated as the Chisum-Queen Oil Pool, and described as:

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM

Section 16: SW/4
Section 21: N/2

(b) Create a new gas pool for Yates production, designated as the Chisum-Yates Gas Pool, and described as:

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM

Section 13: SE/4

(c) Create a new oil pool for Delaware production, designated as the Loving-Delaware Oil Pool, and described as:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM

Section 1: SW/4

(d) Create a new oil pool for San Andres production, designated as the Prairie-San Andres Oil Pool, and described as:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM

Section 8: SW/4

(e) Delete a portion of the Square Lake Oil Pool, described as:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 3: W 2 NW/4

- (f) Extend the Cave Pool to include: :
:
 - TOWNSHIP 17 SOUTH, RANGE 20 EAST, NMPM :
 - Section 3: W/2 NW/4 :
- (g) Extend the Allison-Pennsylvanian Oil Pool to :
include: :
 - TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM :
 - Section 14: NW/4 :
 - Section 15: NE/4 :
- (h) Extend the Crosby-Devonian Gas Pool to in- :
clude: :
 - TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM :
 - Section 21: SW/4 :
- (i) Extend the Dean Permo-Pennsylvanian Pool to :
include: :
 - TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM :
 - Section 4: Lots 3, 4, 5, & 6 :
- (j) Extend the Empire-Abo Pool to include: :
 - TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM :
 - Section 2: NE/4 :
 - Section 3: SW/4 :
- (k) Extend the Eumont Gas Pool to include: :
 - TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM :
 - Section 29 :
- (l) Extend the Gladiola-Wolfcamp Pool to include: :
 - TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM :
 - Section 26: SW/4 :
- (m) Extend the Jalmat Gas Pool to include: :
 - TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM :
 - Section 2: SW/4 :
- (n) Extend the Justis Blineby Pool to include: :
 - TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM :
 - Section 24: NW/4 :

(o) Extend the Justis Fusselman Pool to include::

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 13: NW/4

(p) Extend the Justis McKee Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 25: NE/4

(q) Extend the Leamex-Pennsylvanian Pool to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 23: NW/4

(r) Extend the Maljamar Pool to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 13: SE/4

(s) Extend the North Mason-Delaware Pool to include:

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
Section 18: NE/4

(t) Extend the East Millman Queen-Grayburg Pool to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 12: SE/4

(u) Extend the Milnesand-San Andres Pool to include:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM
Section 14: E/2

(v) Extend the Pearl-Queen Pool to include:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 33: NE/4

(w) Extend the Saunders Pool to include:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 28: SW/4
Section 29: SE/4

(x) Extend the South Sawyer-San Andres Pool to include:

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPM
Section 23: SW/4 SW/4
Section 33: W/2 NW/4

(y) Extend the Shugart Pool to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 25: W/2 SW/4
Section 26: SE/4

(z) Extend the North Shugart Queen-Grayburg Pool to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 32: W/2
Section 29: SW/4

(aa) Extend the Shugart-Delaware Pool to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 27: NW/4

(bb) Extend the Square Lake Pool to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 9: S/2

(cc) Extend the Turkey Track Pool to include:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 27: SW/4

BEFORE:

Mr. Murray Morgan
Gov. John Burroughs
Mr. A. L. Porter

T R A N S C R I P T O F P R O C E E D I N G S

MR. PORTER: We previously announced that Case 278 would be the last case heard this afternoon. Due to the fact that

the Commission would like to release a witness in the Southeastern nomenclature case, we will proceed with that case at this time, Case 1670.

MR. PAYNE: Case 1670. Southeastern New Mexico nomenclature case calling for an order creating new pools, deleting a portion of a pool, and extending existing pools in Chaves, Eddy, Lea and Roosevelt Counties, New Mexico.

(Witness sworn)

RANDALL MONTGOMERY,

called as a witness, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. PAYNE:

Q Will the witness please state his name and position?

A Montgomery, Randall Montgomery. Proration manager for the New Mexico Oil Conservation Commission.

Q Mr. Montgomery, have you made a study concerning the necessity or desirability for creating new pools, deleting a portion of a pool, and extending certain existing pools in Chaves Eddy, Lea, and Roosevelt Counties?

A I have.

Q What are your recommendations concerning creation of a new oil pool for Queen production?

A I recommend that what we are calling paragraph (a), which is on the docket as the Chisum-Queen Oil Pool, be changed to

the Coyote-Queen Pool, which would be a more logical pool to include the SW/4 of Section 16, the N/2 of Section 21, the SW/4 of 15, the SE/4 of Section 16, all in Township 11 South, Range 27 East.

Q And what do you propose as the vertical limits?

A The reason for the creation of this pool is based on the five wells capable of producing, and the discovery well in this pool was the George H. Williams Levick #1, located in Unit D of Section 2 , Township 11 South, Range 27 East, completed in the Penrose sand, which is a member of the Queen formation on January 12, 1958, the top of the perforation being 836 feet.

Q Do you propose the vertical limits to be the Queen formation?

A I do.

Q And the horizontal limits as shown --

A On Exhibit 1, and as stated for the record.

Q Actually, that is on Exhibit 1?

A That's right.

Q What are your recommendations concerning creation of a new Yates Pool for gas production?

A I recommend a new gas pool be created and designated as the Chisum-Yates Gas pool to cover the area in the SE/4 of 13, 11 South, 27 East. The reason for this was the recent discovery of Honolulu Oil Corporation's State B Well #1 in Unit J, Section 13, 11 South, 37 East, completed in the Yates formation on November the 3rd, 1949. The open hole -- the top of the casing shoe was

335 feet.

Q Do you propose the vertical limits to be the Yates formation?

A I do.

Q And the horizontal limits as shown on Paragraph (b)?

A And as indicated on Exhibit 2.

Q What are your recommendations concerning creation of a new oil pool for Delaware production?

A It is my recommendation that the Loving-Delaware Oil Pool be created based on the discovery well, being the Ford Chapman & W. D. Thorn et al - State #1 in Unit V, located in Section 1, Township 24 South, Range 27 East, completed in Delaware formation on March 21, 1958. The top of the perforation 2447 feet. The vertical limits to be the Delaware formation, and the horizontal as indicated on Exhibit 3.

Q What are your recommendations concerning creation of a new oil pool for San Andres production?

A It is my recommendation that a new pool be created and designated as Prairie-San Andres Pool to cover the SW/4 of Section 8, Township 8 South, Range 36 West. Discovery well in this pool was the Atlantic Refining Company - B. Love Federal #1, located in Unit N of Section 8, Township 8 South, Range 36 East. Completed in San Andres on March 20, 1959. The top of the perforation at 4352 feet. The horizontal limits to include the area indicated on Exhibit 4, and the vertical limits to be the San Andres formation.

Q What are your recommendations concerning deletion of a portion of the Square Lake Pool?

A It is my recommendation that the W/2 of the NW/4 of Section 3 be deleted from Square Lake Oil Pool, and, as indicated in Paragraph (e), that area be included in the Square Lake Pool, the reason for this being that a portion of the same basic lease is presently located in the Cave Pool, and many existing batteries are in that area. Actually, it is one pay -- one reservoir.

Q What are your recommendations concerning extension of the Cave Pool?

A My recommendation is that the Cave Pool be extended to cover that area deleted from the Square Lake Pool as stated.

Q What are your recommendations concerning extension of the Allison-Pennsylvanian Oil Pool?

A That the Allison-Pennsylvanian Oil Pool be extended to cover the NW/4 of Section 14, the NE/4 of Section 15, and the NW/4 of Section 12, all in Township 9 South, Range 36 East; based on the ability of two wells capable of producing from this well -- this pool.

Q What are your recommendations concerning extension of the Crosby-Devonian Gas Pool?

A That the Crosby-Devonian Gas Pool be extended to include the SW/4 of Section 21, Township 25 South, Range 37 East. based on one well capable of producing.

Q What are your recommendations concerning extension of

the Dean Permo-Pennsylvanian Pool?

A That the Dean Permo-Pennsylvanian Pool be extended to include Lots 3, 4, 5, and 6 in Section 4, Township 16 South, Range 37 East, based on one well capable of producing.

Q What are your recommendations concerning extension of the Empire-Abo Pool?

A That the Empire-Abo Pool be extended to exclude the NE/4 of Section 2, and SW/4 of Section 3 in Township 16 South, Range 27 East, based on the ability of seven wells capable of producing.

Q Let's go back to Paragraph (j).

A In addition to what I have already stated, I also recommend that we extend the W/2 of Section 1, all of Section 4 -- rather, the SE/4 of Section 4, and the NE/4 of Section 9, all located in Township 16 South, Range 27 East.

Q What are your recommendations concerning extension of the Eumont Gas Pool?

A I recommend that the Eumont Gas Pool be extended to include Section 29 of Township 21 South, Range 37 East, due to one well capable of producing from this Pool.

Q What are your recommendations concerning extension of the Gladiola-Wolfcamp Pool?

A The Gladiola-Wolfcamp Pool be extended to include the SW/4 of Section 26, Township 12 South, Range 37 East, one well capable of producing from this Pool.

Q What are your recommendations concerning extension of the Jalmat Gas Pool?

A I recommend that the Jalmat Gas Pool be extended to include the SW/4 of Section 2, Township 22 South, Range 35 East as one well is capable of producing from this acreage in this reservoir.

Q What are your recommendations concerning extension of the Justis Blinebry Pool?

A That the Justis Blinebry Pool be extended to include the NW/4 of Section 24, the NW/4 of Section 25, and the NE/4 of Section 26, all in Township 25 South, Range 37 East. There are three wells capable of producing from this reservoir.

Q And what are your recommendations concerning extension of the Justis Fusselman Pool?

A That the Justis Fusselman Pool be extended to include the NW/4 of Section 13, Township 25 South, Range 37 East; one well capable of producing exists on this acreage.

Q What are your recommendations concerning extension of the Justis McKee Pool?

A Justic McKee Pool be extended to include the NE/4 of Section 25, Township 25 South, Range 37 East, one well capable of producing.

Q Any recommendations concerning extension of the Leamex-Pennsylvanian Pool?

A The Leamex-Pennsylvanian Pool be extended to include

the NW/4 of Section 23, Township 17 South, Range 33 East. One well is capable of producing from this Pool.

Q And your recommendations concerning extension of the Maljamar Pool?

A That the Maljamar Pool be extended to include the SE/4 of Section 13, Township 17 South, Range 32 East. There are two wells capable of producing from this Pool.

Q What are your recommendations concerning extension of the North Mason-Delaware Pool?

A That the North Mason-Delaware Pool be extended to include the NE/4 of Section 13, Township 26 South, Range 32 East. One well is capable of producing.

Q What are your recommendations concerning extension of the East Millman Queen-Grayburg Pool?

A That the East Millman Queen-Grayburg Pool be extended to include the SE/4 of Section 12, and the SW/4 of Section 12 of Township 19 South, Range 28 East. There are two wells -- three wells capable of producing from this acreage.

Q What are your recommendations concerning extension of the Milnesand-San Andres Pool?

A My recommendation is that the Milnesand-San Andres Pool be extended to include the E/2 of Section 14, Township 8 South, Range 34 East. There is one well capable of producing.

Q What are your recommendations concerning extension of the Pearl-Queen Pool?

A My recommendation is that the Pearl-Queen Pool be extended to include the NE/4 of Section 33, Township 19 South, Range 35 East. There are two wells capable of producing from this Pool.

Q What are your recommendations concerning extension of the Saunders Pool?

A I recommend that the Saunders Pool be extended to include the SE/4 of Section 29, and the SW/4 of Section 28, Township 14 South, Range 33 East. There is one well capable of producing from this Pool.

Q What are your recommendations concerning extension of the South Sawyer-San Andres Pool?

A It is my recommendation that the South Sawyer-San Andres Pool be extended to include the SW/4 of the SW/4 of Section 20, and the W/2 of the NW/4 of Section 32, Township 9 South, Range 33 East. There is one well capable of producing.

Q What are your recommendations concerning extension of Shugart Pool?

A It is my recommendation that the Shugart Pool be extended to include the W/2 of the SW/4 of Section 25, the SE/4 of Section 26, Township 10 South, Range 31 East, based on two wells capable of producing from this Pool.

Q What are your recommendations concerning extension of the North Shugart Queen-Grayburg Pool?

A It is my recommendation that the North Shugart Queen-

Grayburg Pool be extended to include the W/2 of Section 32, SW/4 of Section 29, located in Township 13 South, Range 31 East. The reason for this extension is one well capable of producing.

Q What are your recommendations concerning extension of the Shugart-Delaware Pool?

A I recommend that the Shugart-Delaware Pool be extended to include the NW/4 of Section 27, Township 13 South, Range 31 East, the reason being one well capable of producing.

Q What are your recommendations concerning extension of the Square Lake Pool?

A That the Square Lake Pool be extended to include the S/2 of Section 9, Township 17 South, Range 29 East, based on one well capable of producing.

Q What are your recommendations concerning extension of the Turkey Track Pool?

A It is my recommendation that the Turkey Track Pool be extended to include the SW/4 of Section 17, Township 13 South, Range 31 East, the reason being one well capable of producing.

Q Have you prepared Exhibits substantiating your recommendations, Mr. Montgomery?

A I have.

Q How are these identified?

A 1 through 29.

MR. PAYNE: Mr. Commissioner, I move the introduction of Exhibits 1 through 29 in Case 1670.

MR. PORTER: Without objection, the Exhibits will be admitted.

Any questions of the witness? The witness may be excused.

(Witness excused)

MR. PORTER: Any statements? Take the case under advisement and recess until tomorrow morning. Reconvene at nine o'clock at the Highway Commission Building.

